

Summary of Legislation

2026



Water

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In 2026, the General Assembly passed several water-focused bills, which addressed revegetation, water vessel registration, and funding for water projects and species conservation. Additional bills focused on water issues in the energy sector, including injection wells, geothermal energy, and data centers.

Funding

Each year, the General Assembly typically considers two bills and one resolution that allocate annual funding for water projects and species conservation. For 2026, these measures are:

- [Senate Joint Resolution 26-001](#), which approved water projects funded through the Drinking Water Revolving Fund and the Water Pollution Control Revolving Fund, administered by the Colorado Water Resources and Power Development Authority;
- [Senate Bill 26-165](#), which authorized \$5 million for species conservation; and
- [House Bill 26-1338](#), which appropriated about \$51 million to the Department of Natural Resources for other water-related projects.

Revegetation

To meet growing municipal water demand, water providers commonly purchase agricultural irrigation water rights, which permanently removes the water from the land. This type of water transfer is often referred to as “buy-and-dry.”

In an effort to reduce impacts from these types of transactions, [House Bill 26-1340](#) establishes revegetation requirements on formerly irrigated land when an irrigation water right is purchased in the Lower Arkansas River Basin.

Water Vessel Registration

Any boat with a motor or sail operated on Colorado’s public waters must be registered with Colorado Parks and Wildlife (CPW). Funds from boat registrations support CPW’s statewide boat patrol team, marine officer training, educational materials and classes, and maintaining recreational boat facilities. The water vessel registration program was set to repeal September 1, 2026, subject to an administrative sunset review by the Department of Regulatory Agencies (DORA). The General Assembly passed [House Bill 26-1197](#), which continues the registration program through September 1, 2036.

Water

Water in the Energy Sector

The General Assembly also considered legislation about the energy sector's impact on water resources.

Geothermal Energy

Geothermal plants pump water underground to absorb heat, and then bring the water to the surface to drive turbines or heat a separate fluid. The water is then typically cooled and reinjected into the ground. The General Assembly passed [Senate Bill 26-142](#), which:

- authorizes the sale of thermal energy that is a by-product of other operations;
- allows local governments to enter into an agreement with other entities to provide services from a thermal energy network;
- increases the allowable generating capacity of a geothermal garden;
- requires the Energy and Carbon Management Commission (ECMC) to make recommendations for developing geothermal resources in Colorado; and
- requires investor-owned utilities to identify geothermal projects.

Underground Injection Control Wells

Underground injection control wells are wells in which water or other substances are injected into the ground. The six injection well classifications used by the federal Environmental Protection Agency (EPA) include:

- Class I: industrial and municipal waste disposal;
- Class II: oil and gas fluid injection;
- Class III: mineral solution mining;
- Class IV: shallow hazardous or radioactive waste injection;
- Class V: non-hazardous fluid injection near drinking water sources; and
- Class VI: carbon dioxide storage.

These types of wells are regulated at the federal level unless a state is granted primacy for enforcement and regulatory authority by the EPA. The ECMC currently regulates Class II wells and is in the process of seeking primacy from the EPA for Class VI wells. [House Bill 26-1112](#) would have allowed the ECMC to seek primacy for Class I, Class IV, and Class V injection wells. It also would have allowed the Mined Land Reclamation Board to seek primacy for Class III wells. The bill was postponed indefinitely.

Data Centers

Two bills concerning data centers were considered in 2026. [Senate Bill 26-102](#) would have created requirements for environmental impacts for large-load data center operators. Specifically related to water, the bill would have required operators to implement water-efficient technologies, as determined by a local jurisdiction. Similarly, [House Bill 26-1030](#) would have required water stewardship measures. Both bills were postponed indefinitely.